

CENTRAL INTELLIGENCE AGENCY

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SECURITY INFORMATION

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INFORMATION REPORTREPORT

CD NO.

COUNTRY Hungary

DATE DISTR. 28 August 1952

SUBJECT Soviet Dissatisfaction with the Hungarian
Production; ~~The~~ Alleged Purge of Geroe

NO. OF PAGES

1

DATE OF
INFO.NO. OF ENCLS.
(LISTED BELOW)

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PLACE
ACQUIREDSUPPLEMENT TO
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1. As it is generally known Soviet officials, while comparing reports with the actual achievements of the Five-Year Plan, discovered the padding of reports and falsification of statistics, calculated to give an exaggeratedly optimistic picture of Hungary's economic situation.
2. Perhaps it is not yet known, that in the middle of June 1952, two officials connected with the Soviet commission investigating the irregularities described above, put the blame for the falsifications squarely on Minister of State Ernoe Geroe.
3. Reportedly, Geroe's dominant position was further weakened by National Planning Board President Zoltan Vas' complaint to the investigating Soviet officials, that his own task had virtually been made impossible as a result of false statistics with which he was regularly provided by the Ministry of State.

Comment:

because of Hungary's unsatisfactory productivity within the Soviet plan for economic goals for Satellite, ~~neither~~ Geroe or Vas (or both) would have to take the blame. Information

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indicates, that Geroe was arrested by the AVH on 4 July 1952. If this is true, it is not surprising that the long-smoldering rivalry for Party leadership and political dominance between Rakosi and Geroe, was finally solved in Premier Rakosi's favor.

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